



7413 Westshire Drive  
Lansing, Michigan 48917

Phone: (517) 627-1561  
Fax: (517) 627-3016  
Web: [www.hcam.org](http://www.hcam.org)

**TO: Senate Committee on Health Policy**  
**FROM: Health Care Association of Michigan**  
**DATE: April 28, 2010**  
**SUBJECT: Senate Bill's 1253, 1254, 1255**

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Thank you Senator George and committee members for the opportunity to discuss Senate Bills 1253, 1254 and 1255. I also would like to thank Senator Birkholz for all her work on the package of bills, which will allow for the "portability" of criminal background checks for personnel when changing employment between different companies. HCAM participated in several workgroup meetings on this legislation and supports the bills before the committee today.

My name is David LaLumia, I am the President/CEO of the Health Care Association of Michigan, with me is Linda Lawther, President of the Michigan Center for Assisted Living. HCAM is a statewide trade association representing proprietary, not for profit, county medical and hospital-based long-term skilled nursing and rehabilitation facilities. We also represent licensed assisted living facilities through our affiliate the Michigan Center for Assisted Living. There are 420 nursing facilities in Michigan employing more than 40,000 dedicated workers providing 24/7 care for nearly 40,000 residents each year and approximately, 4,800 Adult Foster Care and Homes for the Aged facilities serving almost 50,000 individuals.

By way of background, in the spring of 2006, all health facilities or agencies that are nursing facilities, county medical facilities, hospice, hospitals that provide swing bed services, homes for the aged, or home health agencies, were required to conduct a criminal background check on any individual applying for employment, clinical privileges, and/or independent contractor status, if the individual provided direct services or had regular direct access to patients or residents. Similar mandates were also enacted for Adult Foster Care and mental health facilities. Under current statute if an employee changes position within the same company a new background check is not required. However, if a person seeks employment with a different company a new background check is required.

Subsequent legislation was passed in 2008 requiring nursing facilities to pay for background checks of all new employees. Prior to this change Federal grant dollars covered the cost of background checks. Additionally, under the original legislation, employees hired prior to April 2006 were "grandfathered" and not initially required to receive a background check.

These "grandfathered" employees will have to undergo a background check by April 2011. Background checks cost approximately \$70 dollars. Clearly, having to pay for background checks of new employees and those hired before April 2006 adds significant costs to providers. In this regard, it is important to note that, although facilities are able to be reimbursed for labor costs expenditures; there are very real limits to the overall amounts of reimbursement a facility may receive. Thus, every dollar a facility spends not related to direct care is less funding for quality patient care.

HCAM supports the need for criminal background checks on employees in long term care settings... however, these changes will alleviate the necessity of multiple checks for one individual and will also help address the multiple checks being done for outside vendors who provide services to multiple facilities.

Thank you for your consideration.